SECRET

12 December 1967

SUBJECT: SCHLUMBERGER WELL SURVEYING CORPORATION
(See Houma Munitions Bunker - Leased by Subject firm)

ALLEGATION:

GARRISON has charged that the burglary of the Houma munitions bunker was "CIA-inspired." He issued arrest warrants for Gordon NOVEL and Sergio ARCACHA SMITH charging them with the Houma burglary.

SOURCE:

Enclosure 24 of CI/R&A memorandum of 7 August 1967.

CIA CONNECTION:

CIA had no connection with the alleged burglary of the Houma Munitions Bunker or any connection with the bunker itself.

However, Pierre SCHLUMBERGER, president of the SCHLUMBERGER CORPORATION, was of contact interest in 1950 for routine exploitation as a foreign intelligence source. The FBI advised they had no objection to the Agency's interrogating Pierre SCHLUMBERGER who was an alien. In 1962 DAYSTROM, INC. was acquired by SCHLUMBERGER, INC. The Agency had a contract with DAYSTROM for an unclassified item ($49,000 contract for the production of Mark II limpet mines); Agency interest was classified Secret. SCHLUMBERGER, LTD. is a Dutch firm controlled by French nationals. After the merger, it was determined that future relationship with DAYSTROM must be governed by Agency policy not to place classified contracts with a foreign firm. In 1963 the same decision was reached concerning Agency contracts with Electro-Mechanical Research, Inc., a subsidiary of SCHLUMBERGER, LTD. EMR dealt in all phases of telemetry. Contact clearances for other personnel of SCHLUMBERGER are set out below.

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OS INDICES RESULTS:

The SCHLUMBERGER COMPANY was the subject of a name check in 1947 because of a contact request, and it was determined that there are a number of SCHLUMBERGER corporations in Latin America which are dominated by French nationals. SCHLUMBERGER has a patented operation for an oil well "shooting" service which is subscribed to by various oil companies. The SCHLUMBERGER WELL SURVEYING CORPORATION in Houston was controlled by Henri Georges DOLL, a French national. He was of contact interest in 1956 and 1957. His wife is the daughter of Conrad SCHLUMBERGER.

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SECRET

GROUP 1
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In August 1951 the Agency was interested in contacting Professor Edouard POLDINI, a geophysicist and professor at the University of Geneva and formerly an employee of the SCHLUMBERGER CORPORATION in Paris, for operational use. He was to be used as a channel to a Janus KANTAS who could give information about the fate of the previous employees of the Jersey Company in Hungary, the production figures and extent of exploitation of existing oil fields and exploration of new oil fields together with the names of the officials of the Russian Hungarian Company who took over the Jersey Company.

In March 1953 the SCHLUMBERGER file reflects that an FBI source furnished information that one Maurice Henri MARTIN, employed as an engineer by the SCHLUMBERGER Company, Paris, France, received a letter dated 27 July 1951 at Moscow from one Siegfied Stefanovitch MOROSOFF, asking MARTIN for specialized information concerning geophysics. The letter requested that MARTIN's reply be forwarded to Moscow through an intermediary. From January 1932 until April 1937 MARTIN represented the SCHLUMBERGER Company in Russia as an engineer, and it was thought that the correspondence from MOROSOFF may represent a Soviet attempt to resume contact with MARTIN and develop clandestine relations with him. The FBI conducted an investigation dated June 1953 and determined that Maurice Henri MARTIN resided at Nod Hill, Wilton, Connecticut and was employed by the SCHLUMBERGER Well Surveying Co., Ridgefield, Connecticut. Informants advised that although MARTIN was strongly nationalistic toward France, he gave every indication of being anti-Russian and there was no evidence of CP activities.

When DAYSTROM, INC. merged with SCHLUMBERGER, LTD., research was done on the directors and officers of SCHLUMBERGER, LTD. The results are as follows:

OS indices reflect a record on Dillon ANDERSON, a trustee of Electro-Mechanical Research, Inc. (a subsidiary of SCHLUMBERGER, LTD.) who was also a proposed trustee of "NEW DAYSTROM" when it merged with SCHLUMBERGER. ANDERSON is an attorney from Houston, Texas who was appointed by President EISENHOWER as an advisor to the National Security Council from 1953 until 1956. He was considered for a special clearance in August 1955 but the briefing was not given. He was granted a covert clearance in December 1953 and April 1954 for use as a covert associate on Project LPFUNNEL.

Pierre SCHLUMBERGER, President and Chief Executive Officer, SCHLUMBERGER, LTD., Houston, Texas, French citizen, was of contact interest in 1950.

Charles C. PARLIN, Director of SCHLUMBERGER, LTD., and a member of the law firm of SHEARMEN, STERLING and WRIGHT, Englewood, New Jersey, U. S. citizen, was of contact interest in 1962 but was security disapproved. PARLIN was allegedly the boy friend of Johanna BEKER who was in contact with known Soviet Agents, ROBERT and JACK SOBLE. BEKER advised the FBI in 1957 that she received, paid for and transmitted to Robert SOBLE, OSS information which was given her by two former OSS employees. She also advised the FBI in 1957 that she

had given a very general outline of her activities to PARLIN and it is reliably reported that PARLIN and HEHER shared a hotel room in Holland in 1957. PARLIN recommended a William Woart LANCASTER for OSS employment. LANCASTER was a member of the same law firm as PARLIN and had a long record of Communist front affiliations. PARLIN in 1956 traveled to Russia as a member of a delegation under the sponsorship of the National Council of Churches. He was also the lawyer for a Swiss armament industrialist who sold arms to the Nazis and the Communist countries since that time.

Clark Drouillard GOODMAN, Vice-President of SCHLUMBERGER, Ltd., Houston, Texas, U. S. citizen, was security disapproved for use by TSD in 1952 and for contact use in 1955 based on his support of Professor Dirk STRUIK, a colleague at MIT, who was indicted on a charge of having been a Communist conspirator and identified as a Communist Party member. In March 1959 the same derogatory information was furnished the Contact Office to be considered in determining any use of GOODMAN. Also, a book written by GOODMAN's wife, May Ellen GOODMAN, was favorably reviewed by the "DAILY WORKER" in 1956.

Jean C. LEGRAND, Vice-President of the SCHLUMBERGER WELL SURVEYING CORPORATION, Ridgefield, Connecticut (U. S. citizen, naturalized Houston, Texas 1941) was approved for contact use in May 1957. His file is clear. There is a notation that one Mrs. J. C. LEGRAND, 5319 Mandell Street, Houston, Texas, in November 1944 was President of the Houston Chapter, France Forever, The Fighting French Committee in America.

Everett STRATTON, Sales Manager, Houston Area, SCHLUMBERGER WELL SURVEYING Corporation, Houston, Texas, U. S. citizen, was security approved (CAUTION) for contact use in October 1950. His file is clear.

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Daniel SCHLUMBERGER, French citizen, archeologist and teacher at the University of Strasbourg, France in 1955, was granted an operational approval (for use as a contract agent in Kabul) in April 1956 but the clearance was cancelled 20 September 1956. His file is clear. However, in a file on Nicholas KAGAN, French financier, and suspected Soviet agent, which contains a detailed study of the inter-relationships and family connections existing in French firms, information on Daniel SCHLUMBERGER is contained therin. Daniel SCHLUMBERGER, a member of the SCHLUMBERGER WELL SURVEYING Corporation, was head of the French Archeological Delegation in Afghanistan (1948-1954). An associate of Daniel SCHLUMBERGER was Raoul CURIEL of a wealthy Jewish banking family in Cairo, Egypt. Raoul and his brother, Henri CURIEL had Communist backgrounds and their mother was aunt to George BLAKE English Soviet spy who defected to Russia. BLAKE had lived with the CURIEL's in Cairo. Also Gilbert PONTECORVO, known Communist, was in contact with Eugenio CURIEL, a relative of the CURIEL family involved in the George BLAKE case. Bruno PONTECORVO, Gilbert's brother, and the atomic scientist who defected to Russia in 1950, worked for the Well Surveying Corporation, Tulsa, Oklahoma, from 1940 to 1942 but it was not known if the SCHLUMBERGER Well Surveying Corporation is in any way connected with the Well Surveying Corporation in Tulsa.

SCHLUMBERGER and Company and another SCHLUMBERGER subsidiary firm, Machine Bull (Competitor of IBM), are connected with Schneider and Company, 42 rue d'Anjou, Paris. Francois SAAR-DEMICHEL, manager of Compagnie Internationale de Commerce, represents SCHNEIDER for the USSR and is a Soviet agent. In September 1961, an investigation conducted in France disclosed that "everything that takes place in the Elysee is known in Moscow within 48 hours and the originator of such intelligence is Francois SAAR-DEMICHEL." Machines Bull is controlled by General Electric Company of the U. S. and SCHNEIDER and Company is affiliated with U. S. Westinghouse Corporation under the name SCHNEIDER-Westinghouse.

The Study in KAGAN's file contains the following additional information concerning SCHLUMBERGER and Company:

Maurice and Remi SCHLUMBERGER are affiliated with Lazard Freres and the Worms Bank. Lazard Freres controls SCHNEIDER-Westinghouse and has a New Orleans Branch Office. Closely associated with the SCHLUMBERGER's is Charles DOH. DOH was born at Odessa in 1911 and arrived in the United States in 1937 to join the SCHLUMBERGER Well Surveying Corporation at Houston, Texas. He became a U. S. citizen on 6 September 1950. Charles has a brother, Jean, who was closely associated with Leonard HOUNAU, a suspected Soviet agent. HOUNAU was closely associated with Francois SAAR-DEMICHEL, previously mentioned Soviet agent connected with SCHLUMBERGER and Company. Charles DOH was approved for Agency contact use in September 1955 as a member of the SCHLUMBERGER Well Surveying Corporation. His file is clear.

Roger Robert Henri HENQUET, Executive Vice-President, SCHLUMBERGER Well Surveying Corporation, Houston, Texas, was approved for contact use on a limited basis in October 1950. He had been an employee of OSS from 1943 to 1945; was given American citizenship and the Congressional Medal of Honor for his deeds during World War II.

Arthur Henry FRENTROP, an employee of the SCHLUMBERGER WELL SURVEYING CORPORATION, Ridgefield, Connecticut, was of contact interest in June 1956. Information concerning his spouse's critical attitude towards American customs and institutions and the dominant position she exercised over her husband was furnished the contact office.